CONCORDIA UNIVERSITY

BOARD OF GOVERNORS

CONCORDIA EMPLOYEE BENEFITS COMMITTEE

Meeting of April 8th, 1980

Attendance: Mr. E.A. Lemieux, Vice Chairman, Prof. C. Goldman, Mr. W.M. Reay Prof. C. Potter, Prof. G. Martin, Mr. C. Waters, Messrs. J.L. Bourbeau and R. Brochu of William M. Mercer Ltd.

Establishment of Investment Policy and Guidelines with David Williams of Beutel Goodman and Company.

Mr. Williams advised the Committee that agreement had been reached between his firm and Jarislowsky Fraser as to the split of the Concordia Pension Fund assets. He described briefly what had been agreed to as follows:

a) Mortgage packages to be divided by National Trust ensuring equivalent market values and a close match of maturity dates.

b) Short term notes in the Fixed Income Fund to be held to maturity and the cash distributed equally.

c) Bond holdings to be split exactly in two.

d) Equities to be split according to preferences of the money managers with each money manager taking full positions in selected companies with the exception of the bank shares where a split would be made. Proceeds from the short term notes in the Equity Fund will be used to equalize the market values of the two new accounts.

Mr. Williams explained that unless there were any objections, he would use the market value at March 31st, 1980 as Beutel Goodman's cost for the assets to be used as a starting point for performance reporting. It was pointed out that National Trust would continue to use the original cost for reporting purposes and that since Wood Gundy used National Trust's figures, Beutel Goodman's method would not distort that report.

The distribution of assets and cash in the equity and fixed income portfolio's was discussed. Mr. Williams stated that his firm recommended on asset split at this time of 60% in equity and 40% in fixed. He indicated that this did not mean that the portfolios would be fully invested at this time; his recommendations would be to take a full 10% position in U.S. but to maintain about 30% cash reserves in Canadian. He felt that there were many shares of companies in the United

...../2

States going for much less than the value of their underlying assets. On the Canadain scene he could see a downside of the T.S.E. at $1,500.00, down from the current $1,750.00. He stated that there were some Canadian Companies going for attractive prices such as Stelco, Noranda, and the chartered banks.

After discussion, it was proposed by Professor Potter that:

1. The assets currently in the portfolio be maintained at the present ratio of 60% fixed income and 40% equity.

2. New cash flow be directed 50% to the equity account and 50% to the fixed income account.

3. The full 10% permitted by law of the combined equity and fixed income components be fully invested in U.S. equities.

4. Thirty percent of the remaining balance in the equity account to remain in short term.

The proposal was seconded by Professor Martin and carried.

Mr. Williams mentioned that some of the bond positions should, in his opinion be liquidated resulting a realized loss. He asked for the Committee's reaction to realized losses vis à vis financing. It was generally agreed that as long as the realized loss did not exceed about 1,000,000. that the Committee would not be averse.

It was agreed by the Committee that the guidelines would be reviewed at a meeting to be held after the end of the first quarter (June 30th, 1980) or at any time sooner should Beutel Goodman feel that it is advisable.

Minutes of the March 18, 1980 Meeting

It was proposed by Professor Goldman, seconded by Professor Martin and unanimously carried, that the minutes of the March 18, 1980 meeting be approved as circulated.

Reciprocal Transfer Agreements

Due to the absence of Mr. Duff and Mr. Hemens, this question was postponed until the next meeting which would be held on Wednesday April 23rd, 1980.

The meeting terminated at 2:10 p.m.